

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 TRSE-00 OPIC-06 XMB-04 FRB-01

CIAE-00 INR-07 NSAE-00 SP-02 /041 W

-----074795 270312Z /65

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FM AMEMBASSY LISBON

TO SECSTATE WASHDC 2821

INFO USDOC

UNCLAS LISBON 6673

DEPT. PASS TREASURY FOR SYVRUD

PASS OPIC

E.O. 11652: N/A

TAGS: EINV, PO

SUBJECT: REVISED FOREIGN INVESTMENT CODE PUBLISHED

REF: LISBON 4819

1. THE LONG-AWAITED REVISION OF THE FOREIGN INVESTMENT CODE OF APRIL-6, 1976 WAS PUBLISHED IN "DIARIO DA REPUBLICA" OF AUGUST 24. THE NEW REGULATIONS:

-- PERMIT DIRECT FOREIGN INVESTMENT IN ALL SECTORS OF THE PORTUGUESE ECONOMY, EXCEPT IN THOSE WHICH UNDER THE TERMS OF THE GENERAL LAW PRIVATE ENTERPRISES ARE PROHIBITED FROM ENTERING (SEE A-148, A-154, AND A-207 FOR PUBLIC/PRIVATE SECTOR LIMITS).

-- ALLOW FOREIGN FIRMS INVESTING UNDER THE GENERAL SYSTEM OF INVESTMENT ACCESS TO ALL TAX INCENTIVES AVAILABLE TO NATIONAL COMPANIES. ADDITIONAL INCENTIVES, FISCAL AND OTHERWISE, ARE AVAILABLE UNDER THE CONTRACTUAL FOREIGN INVESTMENT SYSTEM;

-- EASE ACCESS OF FOREIGN INVESTORS TO MEDIUM AND LONGTERM DOMESTIC CREDIT BY REMOVING THE SPECIFIC

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RESTRICTIONS, BASED ON THE PERCENTAGE OF FOREIGN PARTICIPATION IN THE BORROWING CORPORATION, WHICH WERE CONTAINED IN ARTICLE 21 OF THE 1976 ACT;

-- LIBERALIZE PROFIT REMITTANCE REGULATIONS BY ELIMINATING PERCENTAGE LIMITS, SUBJECT TO THE CONDITION OF PORTUGAL'S BALANCE OF PAYMENTS;

-- REMOVE THE PREVIOUS 70 PERCENT LIMIT ON THE AMOUNT

OF ANNUAL REMUNERATION A FOREIGN NATIONAL MAY LEGALLY
TRANSFER;
-- EXPAND THE FUNCTIONS OF THE FOREIGN INVESTMENT
INSTITUTE, REGULATIONS FOR WHICH WERE SIMULTANEOUSLY PUBLISHED IN "DIARIO DA REPUBLIC".

2. COPIES OF THE 1976 CODE AND 1977 REVISION, AND THE REGULATIONS FOR THE FOREIGN INVESTMENT INSTITUTE BEING POUCHED UNDER COVER OF LISBON A-245 OF AUGUST 29, 1977. COMMENTS FOLLOW SEPTTEL.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PUBLICATIONS, POLICIES, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON06673
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770310-0326
Format: TEL
From: LISBON
Handling Restrictions: n/a
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Review Exemptions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1470809
Secure: OPEN
Status: NATIVE
Subject: REVISED FOREIGN INVESTMENT CODE PUBLISHED
TAGS: EINV, PO
To: STATE
Type: TE
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